Government of Saskatchewan

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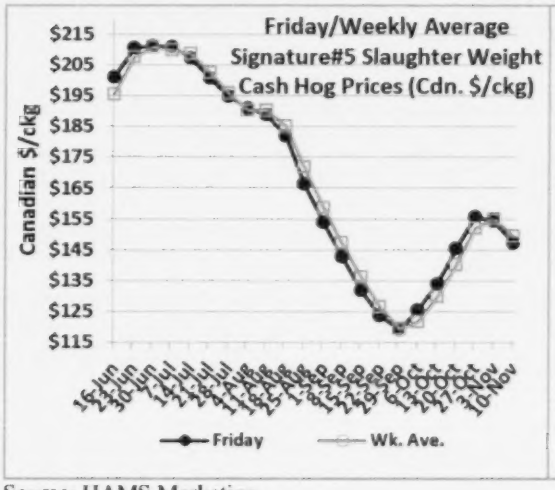
Weekly Hog Report

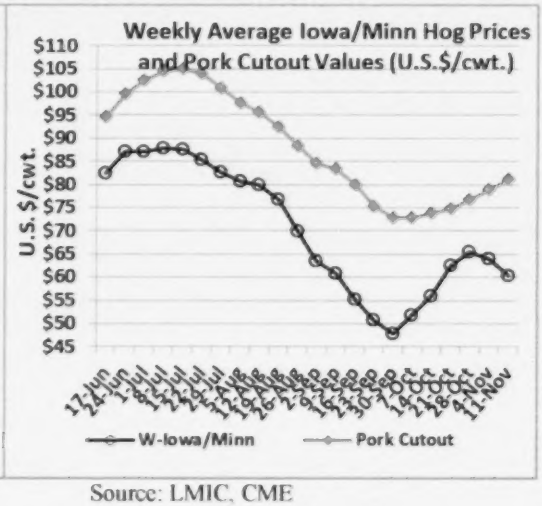
November 13, 2017

Cash Slaughter Weight Hog Prices

United States daily average slaughter weight cash hog prices (Iowa/Minn) edged lower early in the week to help push weekly prices lower, week-over- week. Hog prices on Friday November 10 averaged US$59.66 per cwt, down US$2.53 per cwt or 4.1 per cent from US$62.19 per cwt the previous Friday. The negotiated weekly base price last week averaged US$60.38 per cwt, down US$3.57 per cwt or 5.6 per cent from US$63.95 per cwt the previous week.



Source: HAMS Marketing

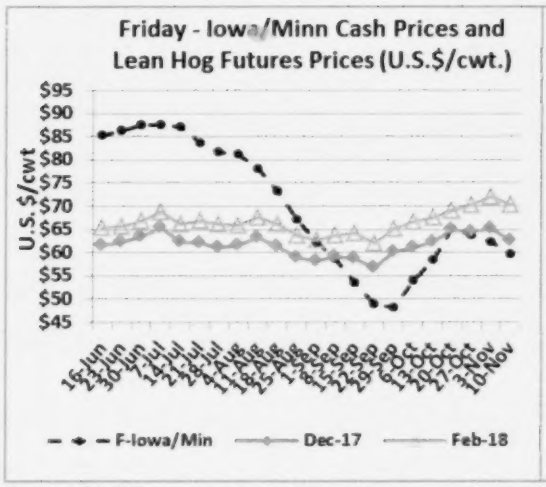


Source: LMIC, CME

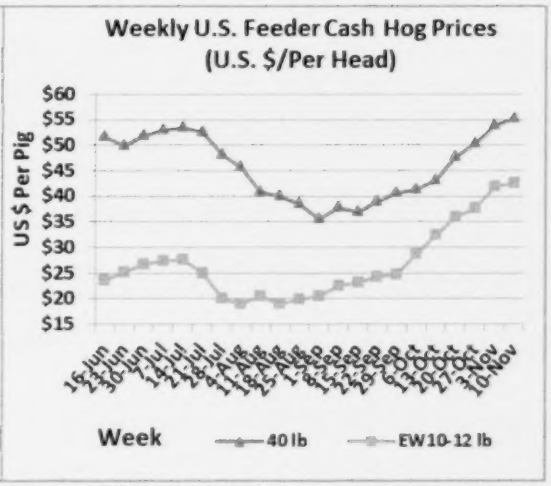
In Canada, the Signature#5 (Maple Leaf) Index 100 daily price for Friday November 10, 2017 was $147.16 per ckg, down $6.77 per ckg or 4.4 per cent from $153.93 per ckg the previous Friday. Signature#5 weekly prices (Friday to Thursday) averaged $149.33 per ckg, down $5.50 per ckg or 3.6 per cent from the previous weeks' average price of $154.83 per ckg. The Canadian dollar compared to the U.S. dollar settled last Friday at 78.85 cents, up 0.50 cents from 78.35 cents the previous Friday.

Futures Markets

United States lean hog futures daily prices were mixed last week but primarily lower to push prices lower, week-over-week. The nearby December contract declined US$2.625 per cwt to settle last Friday at US$62.475 per cwt; while the February 2018 contract declined US$1.725 per cwt to settle last Friday at US$70.250 per cwt.



Source: LMIC



Source: USDA

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices continued to edge higher last week. Weighted average cash prices for iso-weans (12lb) last week were US$42.64 per head, up US$0.69 per head or 1.6 per cent from US$41.95 per head the previous week. Feeders (40lb) averaged US$55.12 per head, up US$1.34 per head or 2.5 per cent from US$53.78 per head, the previous week.

Iowa cash corn prices settled last Friday at US$2.96 per bushel, down six cents from US$3.02 per bushel the previous Friday. Daily corn futures were mixed last week with bigger losses on Thursday to push prices lower, weak-over-week. The December corn contract declined just under five cents to settle last Friday at US$3.43 ½ per bushel. The March 2018 corn contract declined just over five cents to settle last Friday at US$3.56 ¾ per bushel.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the week ending November 10 were estimated at 2.495 million head, up 2.0 per cent from 2.447 million head the previous week, and up 1.5 per cent from 2.457 million head the same week a year ago. Weekly U.S. hog slaughter numbers over the last eight weeks have averaged 2.498 million head, up 2.1 per cent from 2.447 million head over the same period a year ago.

In Canada, federal and provincial hog slaughter numbers for the week ending Nov. 4, 2017 were estimated at 447,878 head, up 1.0 per cent from 443,226 head the previous week, but down 1.1 per cent from 452,989 head the same week a year ago. Canadian hog slaughter numbers over the last eight weeks averaged 429,329 head, down 0.8 per cent from 432,887 head over the same period a year ago. Year-to-date, Canadian hog slaughter numbers totaled 18,245,174 head, up 1.5 per cent from the same period a year ago. (Source: AAFC/CFIA)

Meat Production

U.S. pork production for the week ending November 11, 2017 was estimated at 526.5 million lb., up 2.2 per cent from 515.3 million lb. the previous week, and up 1.1 per cent from 520.7 million lb. the same week a year ago. Pork production over the last eight week's ending November 11 was estimated to average 526.4 million lb., up 2.1 per cent from 515.4 million lb. over the same four week period a year ago.

U.S. beef production for the week ending November 11 was estimated at 513.9 million lb., down 2.8 per cent from 528.5 million lb. the previous week, and down 0.6 per cent from 516.9 million lb. the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending November 4, 2017, was estimated to average 2.217 billion lb., up 2.6 per cent from 2.160 billion lb. over the same four weeks a year ago. Year-to-date, total U.S. meat production for 2017 is estimated to be up 2.3 per cent compared to the same period in 2016.

United States Weekly Meat Production

(Nov. 4) Four Week Average - Million Lb.			Percent Change	
	2016	2017	4 Week	YTD 2017
Pork	515.1	524.3	1.8%	2.8%
Beef	509.6	520.2	2.1%	4.3%
Chicken	993.6	1,027.4	3.4%	1.3%
Turkey	141.6	144.9	2.3%	0.5%
Total	**2,159.9**	**2,216.8**	**2.63%**	**2.29%**

Source: LMIC

Cutout Values

U.S. national pork cutout values for the week ending November 10, 2017 averaged US$81.04 per cwt, up US$2.12 per cwt or 2.7 per cent from US$78.92 per cwt the previous week; and up 9.1 per cent from US$74.27 per cwt from the same week a year ago.

Choice beef cutout prices (600-900 lb.) for the week ending November 10, 2017 averaged US$212.59 per cwt over the week, up US$5.76 per cwt or 2.8 per cent from US$206.83 per cwt the previous week, and up 14.6 per cent from US$185.47 per cwt the same week a year ago.

Average chicken cutout values (breast) for the week ending November 10, 2017 averaged US$105.74 per cwt, down US$2.99 per cwt or 2.7 per cent from US$108.73 per cwt the previous week, but up 4.4 per cent from US$101.26 per cwt the same week a year ago.

USDA World Agricultural Supply and Demand Estimates (WASDE)

The USDA released the November World Agricultural Supply and Demand Estimates (WASDE) on November 9th. The November USDA WASDE report revised the 2017 United States Red Meat and Poultry production estimates slightly lower to 100.430 billion lb., from 100.586 billion lb. in the October estimates. U.S. meat production for 2017 is projected to increase 2.9 per cent from 97.612 billion lb. produced in 2016.

The November pork production estimates for 2017 were estimated at 25.740 billion lb., down 0.33 per cent from the October estimates, but overall 3.2 per cent higher than 2016 U.S. pork production.

USDA November World Agricultural Supply and Demand Estimates

		Million Pounds				Total Red Meat
	Quarter	Beef	Pork	Broiler	Turkey	& Poultry
2014	**Annual**	**24,252**	**22,843**	**38,550**	**5,756**	**92,171**
2015	**Annual**	**23,698**	**24,501**	**40,048**	**5,627**	**94,630**
2016	**Annual**	**25,221**	**24,941**	**40,695**	**5,981**	**97,612**
% Chg.	**2015-2016**	**6.43%**	**1.80%**	**1.62%**	**6.29%**	**3.15%**
2017	Oct. Proj.	26,549	25,826	41,440	6,008	100,586
2017	**Nov. Proj.**	**26,400**	**25,740**	**41,540**	**5,997**	**100,430**
% Chg.	Oct. to Nov.	-0.56%	-0.33%	0.24%	-0.18%	-0.16%
% Chg.	**2016 to 2017**	**4.67%**	**3.20%**	**2.08%**	**0.27%**	**2.89%**

Source: USDA November WASDE Report, November 9, 2017

The United States meat production increases for 2017 (by percentage increase) are projected to come from beef (+4.7%), pork (+3.2%), and broilers (+2.1%). Production estimates for beef in the November estimates declined 0.56 per cent from the October estimates reflecting a slower than expected marketing pace for fed cattle and lighter carcass weights in the fourth quarter. Pork production was projected lower from the October estimates on lower commercial hog slaughter numbers. (Source: USDA WASDE)

U.S. Red Meat and Poultry production for 2018 is expected to further increase from the current 2017 projections by an estimated 3.2 billion lb. (+3 per cent) to reach 103.6 billion lb. of meat production. Beef production is projected to continue leading the way in 2018 with increases of 4.62 per cent, followed by pork (+4.60 per cent), and broilers (+1.77 per cent). (Source: USDA WASDE)

United States current crop projections for November have projected the harvested corn acreage at 83.1 million acres, down from 86.7 million acres the previous year, but the same from the October estimated acres. However, corn yields were estimated at 175.4 bushels/acre, up 3.6 bushels/acre from 171.8 bushels/acre in the October estimates. USDA corn production was estimated at 14.578 billion bushels, up 298 million bushels or 2.1 per cent from the October estimates, but down 570 million bushels or 3.8 per cent from the previous year. While domestic corn usage and exports numbers were increased; the ending corn stocks were also estimated to increase to 2.487 billion bushels or 6.2 per cent; compared to 2.340 billion bushels in the October estimates.

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